

NOVEMBER 28, 2018

ANALYSIS OF SELECTED ERIE COUNTY MEDICAID DATA

**JANUARY 2018 - SEPTEMBER 2018 AND SELECTED PRIOR
PERIODS**



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November 28, 2018

Hon. Mark C. Poloncarz, Esq.
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95 Franklin Street, 16th Floor
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Dear County Executive Poloncarz:

Since 2013, The Office of the Medicaid Inspector General for Erie County (“MIG Team”) has met with you¹ to discuss Medicaid issues raised with you by citizens of Erie County. You have met with the MIG Team on several occasions and asked that the team follow-up on certain questions brought up in those discussions. You also instructed that we develop a report to answer those questions discussed and provide what we believe to be valuable Erie County Medicaid data to County decision-makers and County residents. This is that document.

In May 2013, after approval from the New York State Office of Medicaid Inspector General (“OMIG”), the MIG Team received training on and access to New York State’s Medicaid Data Warehouse (“MDW”). The software used to access the MDW is provided by the Salient Management Company (“SALIENT”). The MDW contains the individual transaction records for all Medicaid claims data in New York State, although the MIG Team only has access to data for Erie County recipients. The MIG Team has complete access to all Medicaid claims data in Erie County on a real-time basis.

This database is covered by the legal and regulatory provisions of the Health Insurance Portability and Accountability Act (“HIPAA”). Much of the data is confidential in nature and cannot be released under this federal law. However, amalgamations of data are allowed as long as individual privacy is not breached.

This report is reviewed by the New York State Department of Health. As a condition of its release, we include the following disclaimer:

“The views and opinions expressed in this publication are those of the author(s) and do not necessarily reflect the official policy or position of the New York State Department of Health. Examples of Analysis performed within this publication are only examples. They should not be utilized in real-world analytic products.”

1 In this document, “you” and “your” refer to the County Executive. “We” and “our” and “us” refer to the MIG Team.

MEDICAID INSPECTOR GENERAL FOR ERIE COUNTY

Since September 1, 2012, operating under agreements with OMIG, the MIG Team has completed or is in the process of completing forty-one (41) audits. These audits cover more than \$99 million in Medicaid payments. The results of those audits have been submitted to OMIG, as per the agreements, for follow-up and action by the State.

As of July 1, 2018, we are trained and authorized to perform audits on the following types of Medicaid vendors:

- o Ambulette Transportation
- o Assisted Living Programs
- o Durable Medical Equipment
- o Long-Term Home Healthcare
- o Pharmacy
- o Taxi Transportation

The MIG Team continues to work on a variety of projects and cooperate with OMIG and law enforcement agencies as required and/or necessary. Under the County's agreements with OMIG and other State agencies, the MIG Team is restricted from commenting on ongoing or recently completed Medicaid audits while OMIG reviews the results and considers State action.

The MIG Team, which features three employees, is funded through the State under a 2012 agreement.

MEDICAID

The Federal government mandates that state Medicaid covers a core set of services. States can cover or provide optional services if they so choose.

TABLE 1. Mandated and Optional State Medicaid Health Care Services²

Mandatory Services: States Must Cover	Optional Services: States May Cover
• Inpatient and outpatient hospital services • Physician, midwife, and certified nurse practitioner services • Laboratory and x-ray services • Nursing home and home health care for individuals over the age of 21 • Early and periodic screening, diagnosis, and treatment (EPSDT) for children under age 21 • Family planning services and supplies • Rural health clinic/federally qualified health center services	• Diagnostic, screening, preventive, rehabilitative services • Clinic services • Intermediate care facilities for the mentally retarded (ICFs/MR) • Prescribed drugs and prosthetic devices • Optometrist services and eyeglasses • Nursing facility services for children under age 21 • Transportation services (may be covered, must be assured) • Physical and occupational therapy • Home and community-based care to certain persons with chronic impairments • Dental services (for adults)

New York State covers nearly all the optional services for Medicaid.²

APPLYING FOR MEDICAID IN ERIE COUNTY

Qualifying for Medicaid in New York is subject to a number of rules and conditions. Income eligibility is a basic criterion

Medicaid is a flexible program. Individuals have qualified for Medicaid in New York State despite making more than the Federal 2018 Annual Poverty Guideline. The Patient Protection and Affordable Care Act of 2010 (“ACA”) creates a national Medicaid minimum eligibility level that covers most Americans with household income up to 133% of the federal poverty level. This amount is \$33,383 for a family of four in 2018.

Beginning in January of 2014, the ACA provided a new and simplified method for calculating eligibility for Medicaid and some other programs. The new method uses modified adjusted gross income (“MAGI”). MAGI replaces a process that used income deductions that are different in each state and often differed by eligibility group. The new method uses an individual’s MAGI, deducts 5% (called a “disregard”) and compares that number to the income standards. An applicant’s Adjusted Gross Income (“AGI”) is easily found: it’s on their most currently filed federal income tax return.³

2 From Salient HHS, “Overview of Medicaid for Salient Users” dated October 2012, Page 34.

3 From the Department of Health and Human Services website. WWW.Medicaid.gov

Pregnant females, children, disabled persons, and others may be eligible for Medicaid if their income is above these levels and they have medical bills. Individuals who are certified blind or disabled, or age 65 or older who have more resources may also be eligible.

Medicaid covers some costs retroactively. Medicaid may retroactively cover the health care expenses for up to three (3) months prior to the application month, if the individual would have been eligible during the retroactive period. Coverage generally stops at the end of the month in which a person no longer meets the eligibility requirements.⁴

TABLE 2. Selected poverty guidelines as a percentage of the Federal poverty level ⁵

2018 Federal Annual Poverty Guidelines ^A				
Household Size	100%	138%	150%	200%
1	\$ 12,140	\$ 16,753	\$ 18,210	\$ 24,280
2	16,460	22,715	24,690	32,920
3	20,780	28,676	31,170	41,560
4	25,100	34,638	37,650	50,200
5	29,420	40,600	44,130	58,840
A - Poverty guidelines are formally referenced as "the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2)".				

In Erie County, the Minimum Wage is \$10.40 per hour as of December 31, 2017.⁶ Individuals earning minimum wage who work 40 hours per week for 50 weeks per year earn an annual wage of \$20,800.

As an example, a family of two children and two adults, with both adults working 40 hours per week for 50 weeks at the New York State Minimum Wage as of July 1, 2018, would have an income of \$41,600.00. With no other income or adjustments to their AGI, the Disregard would be \$2,080.00. (\$41,600 X 5%) In this example the MAGI would be \$39,520 and this family would not qualify for Medicaid under the current guidelines.

The ACA ensures that no one would lose health coverage as a result of converting to the MAGI rules.⁷ This family could be covered under Medicaid should special circumstances apply, or

4 New York State Department of Health website. <http://www.health.ny.gov/>

5 US Department of Health and Human Services website. <http://www.hhs.gov/>

6 New York State Department of Labor website. www.labor.ny.gov

7 US Department of Health and Human Services website. <http://www.hhs.gov/>

covered under the Medicaid adult coverage group, or they would be able to purchase insurance with the benefit of a premium tax credit and possible cost-sharing reductions through the health plan marketplace run by New York State.

The family described above has children who may qualify for Child Health Plus and the adults may qualify for the Essential Plan health insurance.

If someone believes they qualify for Medicaid, or they believe their children may qualify for Child Health Plus, or they wish to purchase insurance through the health plan marketplace run by New York State, they should apply online through the NY State of Health (www.nystateofhealth.ny.gov).

At this time, changes are being considered to Medicaid qualifications as well as other Medicaid rules by the US Congress. Any interested applicant is urged to visit the NY State of Health (www.nystateofhealth.ny.gov) website or www.medicaid.gov for the most current information.

MEDICAID DATA FOR ERIE COUNTY

TABLE 3. Total Erie County Medicaid cost, for the years 2012 through 2017, and from January 1, 2018 through June 1, 2018.

Medicaid Costs For The Years 2012 - 2018					
	2012	2014	2016	2017	2018 ^{A B}
Medicaid Costs	\$ 1,457,205,557	\$ 1,646,348,042	\$ 1,896,012,200	\$ 2,024,435,660	\$ 802,779,765
Erie County's Portion of Medicaid Costs	\$ 211,765,441	\$ 211,425,799	\$ 205,528,355	\$ 203,834,038	\$ 203,371,222
Medicaid Clients	221,753	259,439	283,260	286,434	257,247
Medicaid Cost Per Client	\$ 6,571.30	\$ 6,345.80	\$ 6,693.54	\$ 7,067.72	N/A
A The figures for 2018 are not final, and cover the period January 1, 2018 through June 1, 2018.					
B Erie County's portion of Medicaid costs for 2018 are for the entire fiscal year.					

Medicaid claims must be initially submitted within 90 days of the date of service, but claims must be **finally** submitted within two (2) years.

Erie County's Medicaid payments are calculated on a weekly basis.

The County's final costs in 2014 were reduced by \$5.7 million from the 2014 adopted budget figure of \$217,160,208, also due to additional enhanced FMAP funding. Table 3 reflects these additional payments.

The FMAP Percentage

The reason for the drop in Medicaid costs to Erie County is the ACA. The ACA changed the calculation of the FMAP percentage.

The Medicaid program is jointly funded by states and the federal government and in the case of New York State, the county governments. In states that choose to participate, the federal government pays at least half the cost of providing needed services to program beneficiaries. The federal share of those costs is determined by the FMAP. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the FMAPs each year.⁸

The FMAP is calculated annually using a formula set forth in federal statute. The FMAP is inversely proportional to a state's average personal income relative to the national average. States with lower average personal incomes have higher FMAPs. Personal income data is lagged, so data used for FY 2018 was based on 2014-2016.

The ACA provides an FMAP of 100 percent for the period 2014-2016 and at least 90 percent thereafter for the cost of covering newly eligible low-income adults. The costs of administration are generally matched at 50 percent, although some administrative activities receive a higher federal matching rate.

The FMAP for New York State for the federal government's past fiscal year (October 1, 2017 through September 30, 2018) is 50%.⁹ New York State shares the lowest FMAP percentage in the nation with thirteen (13) other states. The highest FMAP percentage for federal FY 2018 is 75.65% for the state of Mississippi.¹⁰ This means that despite the large cost of New York's Medicaid program, by percentage, the state is receiving a lower federal contribution than many other states.

Beginning in 2014, ACA establishes highly enhanced FMAPs for the cost of services to low-income adults with incomes up to 138% of the Federal Poverty Level ("FPL") who are not currently covered. The federal government will pick up 100% of such costs in 2014 through 2016, phasing down to 90% in 2020 and beyond. The Enhanced FMAP for New York State is 65% for FY 2018.¹¹

This enhanced FMAP percentage has resulted in an increased reimbursement to Erie County, and as a result, a lower County share of the total Medicaid cost.

8 An Overview of the Federal Medicaid Matching Rate (FMAP), The Henry J. Kaiser Family Foundation. <http://www.kff.org>.

9 US Department of Health and Human Services website. <http://www.hhs.gov/>

10 US Department of Health and Human Services website. <http://www.hhs.gov/>

11 US Department of Health and Human Services website. <http://www.hhs.gov/>

There is an Enhanced FMAP for CHIP (“eFMAP”) used in the Children’s Health Insurance Program (“CHIP”) and in the Medicaid program for certain children for expenditures for medical assistance. New York State’s eFMAP for 2018 is 88%.¹²

Medicaid Expenditures by Billed Provider

Reviewing Medicaid costs by billed provider (such as dentist, pharmacy, laboratory, etc.) offers an opportunity to see where Medicaid spends its funds.

The State has moved more individuals to Managed Care since 2011, with costs shown below demonstrating that progression. Managed Care has also largely assumed the responsibilities for the cost categories of Nurse, Pharmacy, Dental, and Laboratory Costs.

TABLE 4. Medicaid expenditures by billed Medicaid provider type.

Medicaid Costs by Billed Provider Type		
	2016	2017
Capitation Provider	\$ 1,004,889,398	\$ 1,149,080,663
Multi Type Provider	414,907,153	409,379,708
Long Term Care Facility	172,582,751	146,106,967
Hospital	70,952,399	64,151,508
Home Health Agency	103,961,871	114,461,712
Diagnostic and Treatment Center	45,892,904	49,049,768
Transportation	32,054,577	45,576,863
Physician & Chiropractor	10,544,751	10,132,875
Nurse	6,847,616	6,253,434
Child Care Institution	6,562,708	6,003,979
Medical Appliance Dealer	1,874,530	1,764,652
Dentist	2,844,375	2,518,284
Physician Group & Multi-Type Groups	119,819	135,194
Pharmacy	20,901,127	18,681,042
Laboratory	472,998	531,597
Optician	315,242	317,489
Clinical Psychologist & Clinical Social Worker	88,918	84,783
Podiatrist	64,973	52,536
Optometrist	78,256	110,493
Therapists & Therapy Groups	52,054	42,112
Totals	\$ 1,896,008,419	\$ 2,024,435,660

12 US Department of Health and Human Services website. <http://www.hhs.gov/>

Medicaid claims must be initially submitted within 90 days of the date of service, but claims must be **finally** submitted within two (2) years.

The category of “Capitation Provider” now accounts for more than half of all Medicaid payments on Table 4. As Capitation Providers do provide services listed lower in Table 4, but do not provide the financial detail, Table 4 can be considered incomplete. Unless the MDW or Capitation Providers provide cost category detail for the category “Capitation Provider”, we will discontinue this table in future reports.

TABLE 5. Additional descriptions for selected Medicaid categories

Additional Descriptions for Selected Categories ^A	
MEDICAL APPLIANCE DEALERS	Medical Appliance Dealers sell and maintain medical equipment in the home to aid in a better quality of living. Examples are items such as: iron lungs, oxygen tents, Nebulizers, CPAP, catheters, hospital beds, and wheelchairs and blood glucose monitors.
HOME HEALTH AGENCY	Home Health Care includes skilled nursing care, physical therapy, occupational therapy, and speech therapy, medical social services and home health aide services. Home Health Agencies may also teach patients (or family members or friends) how to care for a patient.
PHARMACY	Cost of pharmaceuticals. As of October 2011 pharmacy costs were assumed by managed care providers for those clients enrolled in all managed care programs (Certain limited exceptions apply).
CAPITATION PROVIDER	A healthcare plan that allows payment of a flat fee for each patient it covers. Under a capitation, an HMO or managed care organization pays a fixed amount of money for its members to the health care provider.
LONG TERM CARE FACILITY	Long-term care facilities include nursing homes, rehabilitation facilities, inpatient behavioral health facilities, and long-term chronic care hospitals. Any facility that provides rehabilitative, restorative, and/or ongoing skilled nursing care to patients or residents in need of assistance with the activities of daily living.
DIAGNOSTIC AND TREATMENT FACILITY	A facility that performs tests to identify the nature or cause of a medical problem.
MULTI TYPE PROVIDER	A provider that falls into more than one category. For example, a medical practice that is composed of a therapist and a clinical social worker.
A Descriptions provided by the "Center for Medicaid and Medicare Services" at CMS.gov.	

Erie County Medicaid Expenditures for Emergency Care

Some of the best ideas for what is discussed in this document come from the general public. Comments are received via social media, by phone and in person to the MIG office staff and by you directly. One comment consistently voiced is Medicaid clients use emergency services for non-emergency maladies. As a follow-up to questions posed to you in late 2017 and to us in 2018, we are able to determine the number of emergency department visits by Medicaid clients. We are also able to determine the severity level of the medical diagnosis for those Medicaid claims.

TABLE 6. Emergency Department claims by Erie County Medicaid Clients

Emergency Department Claims by Erie County Medicaid Clients				
Procedure Summary Code or Rate Summary Code	Description ^B	2015	2016	2017 ^A
99281	Low Urgency Emergency Department Visit Requiring Little to No Immediate Medical Care.	2,900	2,782	2,823
99282	Low to Moderate Severity Emergency Department Visit	17,690	21,498	22,016
99283	Moderate Severity Emergency Department Visit	59,121	77,590	79,639
99284	High Severity Emergency Department Visit	38,003	53,971	56,255
99285	The Highest Severity Threat, Posing an Immediate Threat to Life	10,012	17,578	21,077
1402	Emergency Department Outpatient Services	31,578	36,516	37,618
1419	Out of NYS Emergency Department Code	12	16	21
Totals		<u>159,316</u>	<u>209,951</u>	<u>219,449</u>
A - 2017 data is not final.				
B- CPT code descriptions are from the American Medical Association.				

Rate Summaries 1402 and 1419 do not have an indication of the level of severity. However, for these two categories, we researched the most common illness diagnosed. For 1402, the most

common illness was Chest Pain. For code 1419, the most common illness was chronic obstructive pulmonary disease (COPD).

So that you might have an idea of the types of health conditions treated within the above categories, we created Table 7.

TABLE 7. Emergency Department Visits by Severity and ICD Code

Procedure Summary Code	The Three Most Common ICD Codes	Description
99281	Z760 Z4802 Z23	Issue of Repeat Prescription Removal of Sutures Immunization
99282	J069	Acute Upper Respiratory Infection
	K0889	Other Disorders of Teeth and Supporting Structures
	B349	Unspecified Viral Infection
99283	J069 B349 M545	Acute Upper Respiratory Infection Unspecified Viral Infection Lower Back Pain
99284	R0789	Other Chest Pain
	K529	Noninfective Gastroenteritis and Colitis, Unspecified
	J45901	Unspecified Asthma with (Acute) Exacerbation
99285	R0789 R079 J45901	Other Chest Pain Chest Pain, Unspecified Unspecified Asthma with (Acute) Exacerbation

Although covering the year 2012, the New York State Department of Health published the leading causes of death for Medicaid clients. It is reproduced in Table 8.

From Table 6, codes 1402 and 1419 do not give an indication of the severity of the illness treated. Therefore, we did not consider them in the below analysis.

Counting just the procedure codes 99281 through 99285, there were 181,810 emergency department visits in 2017. Of those, about 86% or 156,971 are considered to be moderate or worse in severity. The percentages are roughly consistent for the years 2015 and 2016.

We cannot say that Medicaid clients do not misuse emergency department services. We can say that about 14% of emergency department visits by Medicaid clients were deemed by a medical professional to be of moderate to low severity or of low urgency.

TABLE 8. The Ten Leading Causes of Death by New York State Medicaid Clients in 2012.¹³

Ten Leading Causes of Death by Medicaid Clients	
New York State - 2012	
Underlying Cause of Death	Deaths
Diseases of the Heart	17,350
Malignant Neoplasms	10,845
Chronic Lower Respiratory Disease	2,775
Cerebrovascular Disease	2,357
Pneumonia	2,168
Accidents	1,959
Alzheimer's	1,423
Septicemia	977
Hypertension	947
Nephritis, Nephritic Syndrome and Nephritis	873

We include this table to highlight that Medicaid clients that use emergency departments for issues such as chest pain or respiratory infections have good reason to be concerned.

Erie County Medicaid Expenditures by Location, Age and Race

The number of persons on Medicaid in Erie County and the claims incurred on behalf of those persons dictate Medicaid costs. The New York State Medicaid database allows for the tracking of Medicaid clients based upon the zip code of the Medicaid patient. For the twelve zip codes with the largest number of Medicaid recipients, that data is provided in Table 9.

TABLE 9. Medicaid Clients by Year and Residing Zip Code.

Erie County Medicaid Clients by Year and Residing Zip Code				
Zip Code	2012	2014	2016	2017 ^A
14215	24,686	27,835	25,847	26,374
14213	19,633	21,135	16,296	16,788
14207	17,166	19,571	17,596	18,298
14211	17,479	19,606	17,204	17,988
14206	9,035	10,574	9,933	10,101
14201	8,950	9,340	7,370	7,627
14218	8,067	9,172	9,373	9,658
14210	8,000	8,761	7,685	7,758
14212	7,820	9,460	8,179	8,579
14225	7,720	9,442	9,731	9,904
14220	7,578	8,490	7,881	7,975
14150	7,699	9,273	9,114	9,309
Top Twelve Total	143,833	162,659	146,209	150,359
Overall Total	221,753	259,439	283,260	286,434
Percentage of the top twelve to the Overall Total	65%	63%	52%	52%
^A 2017 data is not final.				

Table nine shows that in 2017, the top five zip codes contain about thirty-one percent (31%) of the County's Medicaid population. Not surprisingly, these zip codes are concentrated in the City of Buffalo. The seventh-largest zip code is the City of Lackawanna, the tenth-largest is Cheektowaga, and the twelfth-largest zip code is the City of Tonawanda and part of the Town of Tonawanda.

Erie County's population on July 1, 2017 was 925,528.¹⁴ There were 286,434 clients on

¹⁴ US Census www.census.gov

Medicaid in Erie County in 2017. About 31% of all Erie County residents are covered by Medicaid.

Appendix A is a map of Medicaid recipients, broken out by zip code. Erie County's Department of Environment and Planning, the Geographic Information Systems team, was key to the development of this map. We appreciate their assistance.

Medicaid clients by race and age are shown in Table 10.

TABLE 10. Medicaid Recipients by Age and Race

Unique Erie County Medicaid Recipients by Age and Race			
Race / Ethnicity / Age ^B	2016	2017	2018 ^A
Age (65 and Over)			
White	17,832	17,208	14,389
Black/African American	4,894	4,704	4,248
Hispanic/Latino	1,424	1,463	1,347
Asian/Pacific Islander	1,121	1,141	1,025
American Indian/Alaska Native	142	151	140
Not Available/More Than One Race	936	850	733
Age (21-64)			
White	77,707	76,468	66,878
Black/African American	43,882	43,391	38,511
Hispanic/Latino	13,151	13,414	12,151
Asian/Pacific Islander	7,818	7,962	7,202
American Indian/Alaska Native	1,137	1,162	1,037
Not Available/More Than One Race	10,740	10,754	9,247
Age (0-20)			
White	38,483	39,582	36,073
Black/African American	32,819	34,295	32,146
Hispanic/Latino	12,073	12,897	12,281
Asian/Pacific Islander	6,693	7,368	7,093
American Indian/Alaska Native	840	893	822
Not Available/More Than One Race	11,568	12,731	11,924
Totals	283,260	286,434	257,247
^A - 2018 data is not final and covers the period January 1, 2018 through June 1, 2018.			
^B - Medicaid clients self-identify for race and ethnicity.			

**In 2017, more than 37% of all Medicaid clients are children. (Persons under the age of 21)
In 2008, the percentage of children on Medicaid was 27%.**

TABLE 11. Medicaid Cost and Client Summary.

2017 Medicaid Cost and Client Summary

Race / Ethnicity / Age ^B	Medicaid Clients ^A	Medicaid Cost ^A	Average Cost Per Client
White	133,258	\$ 1,117,703,277	\$ 8,388
Black/African American	82,390	547,783,116	6,649
Hispanic/Latino	27,774	164,468,787	5,922
Asian/Pacific Islander	16,471	73,965,147	4,491
American Indian/Alaska Native	2,206	13,679,535	6,201
Not Available/More Than One Race	24,335	106,835,798	4,390
Totals	286,434	\$ 2,024,435,660	\$ 7,068
65 and over	25,517	\$ 372,914,678	\$ 14,614
21 - 64	153,151	1,291,759,008	8,435
0 - 20	107,766	359,761,974	3,338
Totals	286,434	\$ 2,024,435,660	\$ 7,068
^A - 2017 data is not final.			
^B - Medicaid clients self-identify for race and ethnicity.			

Whites as a group account for the highest average cost per Medicaid Client. When age becomes a factor, the highest average cost per Medicaid client is for those persons 65 years of age and older.

PRESCRIPTIONS IN ERIE COUNTY PAID THROUGH MEDICAID

The MIG Team can analyze prescriptions paid through Medicaid by the type of drug, prescribing medical professional, Medicaid patient, number of refills and other criteria. The MIG Team uses this data to determine the most commonly filled prescriptions.

TABLE 12. Most commonly filled prescriptions*

The Medicaid Drugs in Erie County with the Most Filled Prescriptions are:				
	2015	2016	2017 ^A	2018 ^A
1	Hydrocodone-Acetaminophen	Ibuprofen	Atorvastatin Calcium	Atorvastatin Calcium
2	Ibuprofen	Omeprazole	Ibuprofen	Ibuprofen
3	Omeprazole	Hydrocodone-Acetaminophen	Omeprazole	Omeprazole
4	Lisinopril	Atorvastatin Calcium	Lisinopril	Lisinopril
5	Atorvastatin Calcium	Lisinopril	Metformin HCL	Metformin HCL
6	Ventolin HFA	Metformin HCL	Ventolin HFA	Gabapentin
7	Metformin HCL	Ventolin HFA	Hydrocodone-Acetaminophen	Amlodipine Besylate
8	Amlodipine Besylate	Amlodipine Besylate	Amlodipine Besylate	Ventolin HFA
9	Levothyroxine Sodium	Levothyroxine Sodium	Gabapentin	Levothyroxine Sodium
10	Gabapentin	Gabapentin	Levothyroxine Sodium	Hydrocodone-Acetaminophen
11	Aspirin	Amoxicillin	Amoxicillin	Vitamin D
12	Amoxicillin	Aspirin	Vitamin D	Amoxicillin
All Prescriptions Filled	3,036,661	3,190,990	3,285,789	2,168,147
Just Above Scripts Filled	646,910	676,377	674,190	448,132
Percent of Total	21.30%	21.20%	20.52%	20.67%
^A The 2017 and 2018 data are not final. 2018 data reflects the period January 1, 2018 through September 21, 2018.				

*generic drug names

Since early 2015, Hydrocodone has fallen from its prominent perch as the number one proscribed Medicaid drug in Erie County. Considering how abused this particular medication can be, such a drop is significant.

Hydrocodone-Acetaminophen is a controlled substance. It was also the most prescribed Medicaid drug in Erie County from 2008 through 2014. Hydrocodone-Acetaminophen, also known as Vicodin or Lortab, is one of the most abused prescription drugs in the U.S.

As we have watched with some satisfaction the fall of Hydrocodone-Acetaminophen as recorded on Table 12, we have been alarmed at the increase of the number of prescriptions for Gabapentin. Gabapentin is approved by the Food and Drug Administration to treat epilepsy and pain related to nerve damage, called neuropathy. Also known by its brand name, Neurontin, the drug acts as a sedative. It is widely considered non-addictive and touted by the federal Centers for Disease Control and Prevention as an alternative intervention to opiates for chronic pain. Generally,

doctors prescribe no more than 1,800 to 2,400 milligrams of gabapentin per day, according to information on the Mayo Clinic's website.

Gabapentin does not carry the same risk of lethal overdoses as opioids, but drug experts say the effects of using gabapentin for long periods of time or in very high quantities, particularly among sensitive populations like pregnant women, are not well-known.

Gabapentin is being subverted to a drug of abuse. The State of Kentucky has classified Gabapentin as a Controlled Substance after it was found in over one-fourth of all overdose deaths in Louisville in 2017. A 2017 study of opioid users reported Gabapentin and related drugs were easy to obtain and "reinforced the effects of heroin." Some users "were concerned it induced 'blackouts' and increased the risk of overdose."¹⁵

As per our discussions with you throughout 2017 and early 2018, we will continue to monitor Gabapentin prescriptions.

The pharmaceutical drugs shown in Table 12 and their commonly prescribed purpose are reported in Table 13 below:

TABLE 13. Indications for commonly prescribed medications.

Drug Name	Commonly prescribed for:
Amlodipine Besylate	High blood pressure treatment
Amoxicillin	Infection treatment (Antibiotic)
Aspirin	Over the counter pain reliever
Atorvastatin Calcium	Elevated cholesterol treatment
Clonazepam	Epilepsy treatment and treatment for bipolar disease and panic attacks
Gabapentin	Anti-epileptic medication and treatment for some kinds of nerve pain
Hydrochlorothiazide	Treatment for high blood pressure, also osteoporosis and is a diuretic
Hydrocodone-Acetaminophen	Treatment for moderate to severe pain
Ibuprofen	Over the counter pain reliever
Levothyroxine Sodium	Treatment for thyroid deficiency
Lisinopril	High blood pressure treatment
Loratadine	Treatment for allergies
Metformin HCL	Treatment for type two diabetes or pre-diabetics
Omeprazole	Treatment for acid reflux
Ventolin HFA	Treatment for asthma or allergies

15 Doctors sound the alarm on "opioid alternative" Gabapentin - CBS News - April 2, 2018.

To assist you to better understand the number and types of prescriptions, over the counter medications and medical supplies used by Medicaid clients in Erie County, we provide Table 14.

TABLE 14. Medicaid and Encounter Prescriptions Filled by Drug Class in 2017.

Medicaid & Encounter Prescriptions Filled by Drug Class			
Drug Class	Therapeutic Class	Explanation	2017 Medicaid & Encounter Prescriptions Filled ^(A)
PRESCRIPTION REQUIRED			2,730,994
	PSYCHOSTIMULANTS-ANTIDEPRESSANTS	Drugs that fight depression.	247,704
	ANTICONVULSANTS	Drugs that prevent or reduce the effect of seizures.	161,431
	BRONCHIAL-DILATORS	Drugs that increase airflow to the lungs.	155,125
	HYPOTENSIVES, OTHER	Drugs that combat low blood pressure.	147,992
	DIABETIC THERAPY	Drugs that address how your body uses sugar.	145,760
	CARDIOVASCULAR PREPARATIONS	Drugs that treat diseases of the heart or blood vessels.	142,432
	ANTIARTHRITICS	Drugs that relieve the symptoms of arthritis.	130,233
	ATARACTICS-TRANQUILIZERS	Drugs that have a calming or quieting effect.	125,867
	ANTI-ULCER PREPARATIONS	Drugs that reduce stomach acid / stomach inflammation.	124,929
	LIPOTROPICS	Drugs that encourage the export of fat from the liver.	120,245
	Subtotal		1,501,718
OVER THE COUNTER			539,896
	ANTIHISTAMINES	Substances that treat allergies.	92,872
	MEDICAL SUPPLIES AND NON-DRUG ITEMS		50,539
	ANTICOAGULANTS	Substances that prevent or reduce blood clotting.	48,022
	LAXATIVES	Substances that loosen stools or ease bowel movements.	40,674
	VITAMINS, FAT SOLUBLE		40,470
	DIAGNOSTICS		37,830
	ANALGESICS, NON-NARCOTIC	Non-narcotic pain killers	36,707
	MULTIVITAMINS		33,622
	HEMATINICS	Nutrients required for the formation of blood cells.	23,768
	ELECTROLYTES AND MISC NUTRIENT	Electrolytes are necessary for proper cell function	23,678
	Subtotal		428,182
NOT AVAILABLE			14,899
TOTAL OF ALL PRESCRIPTIONS FILLED			3,285,789
A - The data for 2017 is not final.			

“Medicaid & Encounter Prescriptions Filled” include prescriptions filled not just by Medicaid itself, but by private insurers who are reimbursed by Medicaid. This is as comprehensive a figure as we have ever been able to provide.

The “Explanation” column is the most common use for these medications. It is not an all-inclusive description of the use of medications included in a Therapeutic Class.

For ease of presentation, we have limited Table 14 to the top ten categories. More than eighty categories of Therapeutic Class exist for the drug class of Prescription Required.

The most common psychostimulant-antidepressant prescribed in 2017 was Sertraline HCL, more commonly known as Zoloft.

In late 2018, we received a request for demographic data from the Erie County Health Commissioner, Dr. Gale Burstein. That data covers Medicaid clients with prescriptions for Hydrocodone-Acetaminophen. We provide it here to describe a typical Hydrocodone recipient.

TABLE 15. Demographic Data for Hydrocodone-Acetaminophen Clients

Medicaid Funded Prescriptions for Hydrocodone-Acetaminophen by Age Group and Calendar Year					
Age Groups	2018 ^A	2017	2016	2015	2014
0-5	217	408	416	391	178
6-11	206	351	384	346	254
12-17	450	698	897	1,099	962
18-44	11,890	21,414	27,850	33,825	30,711
45-64	18,969	32,816	37,432	40,881	35,421
65 +	680	1,036	1,186	1,435	859
Total Scripts	32,412	56,723	68,165	77,977	68,385
Medicaid Funded Prescriptions for Hydrocodone-Acetaminophen by Male and Female and Calendar Year					
Sex	2018 ^A	2017	2016	2015	2014
Male	13,059	22,385	26,695	30,780	N/A
Female	19,353	34,338	41,470	47,197	N/A
Total	32,412	56,723	68,165	77,977	0
Medicaid Funded Prescriptions for Hydrocodone-Acetaminophen by Race and Calendar Year					
Race ^B	2018 ^A	2017	2016	2015	2014
White	15,662	27,431	33,084	37,520	34,260
Black/African American	10,843	19,423	23,309	26,618	22,653
Hispanic/Latino	4,040	6,590	7,761	8,999	7,533
Asian/Pacific Islander	331	618	756	906	704
American Indian/Alaska Native	208	408	444	490	467
Not Available/More Than One Race	1,328	2,253	2,811	3,444	2,768
Total	32,412	56,723	68,165	77,977	68,385
Medicaid Funded Prescriptions for Hydrocodone-Acetaminophen by Marital Status and Calendar Year					
Status	2018 ^A	2017	2016	2015	2014
Single	21,812	38,356	46,590	53,597	47,514
Married	5,090	8,812	10,516	11,906	10,694
Divorced	2,320	4,101	4,808	5,220	4,633
N/A	1,325	2,224	2,449	2,831	2,543
Informal Separation	1,257	2,103	2,404	2,724	1,412
Widowed	384	754	953	1,191	1,146
Formal Separation	172	279	315	399	364
Abandonment / Separation	42	80	118	96	63
Annulment	10	14	12	13	16
Total	32,412	56,723	68,165	77,977	68,385
The most common residing zip code for Medicaid clients receiving Hydrocodone-Acetaminophen from 2014 through 2018 is 14215.					
A - 2018 data is not final. 2018 data is for the period January 1, 2018 through September 21, 2018.					
B - Categories are established by the Federal Government. Medicaid clients self-describe for the race category.					

In sum, for 2017, a typical user of prescription Hydrocodone-Acetaminophen could be described as 45-64 years old, a woman, white and single.

MEDICAID AND THE VARIOUS FORMS OF FINANCIAL ASSISTANCE IN ERIE COUNTY

The MIG Team receives calls regularly from individuals in Erie County who are misinformed about public benefits in Erie County. Although this office specializes in Medicaid, many of these calls concern other forms of public benefits. To address this misinformation, we have included this section, which explains the various forms of Assistance in Erie County, and discusses the number of clients covered. We are grateful for the assistance of the Department of Social Services in the development of this section of this document.

TABLE 16. Assistance Types in Erie County and a Count of Beneficiaries.

Assistance Types in Erie County and a Count of Beneficiaries.							
		Categories of Financial Assistance				Not Considered Financial Assistance	
Year	Total Financial Assistance	Temporary Assistance to Needy Families. ^A	Temporary Assistance Families w/ a Drug or Alcoholic Dependent adult needing full time treatment ^A	Safety Net Cash Assistance ^A	Safety Net Non-Cash Assistance ^A		Food Stamps ^A
2010	48,835	31,545	1,023	13,099	13,512		170,424
2011	49,967	35,746	844	12,886	13,038		182,695
2012	49,258	33,936	807	13,611	14,158		189,379
2013	50,187	36,633	714	13,026	15,297		196,662
2014	52,190	37,479	771	14,034	16,662		199,924
2015	52,834	36,779	615	13,013	16,934		198,410
2016	49,132	36,536	714	13,592	16,928		175,824
2017	49,256	32,732	841	12,455	15,568		190,768
2018	42,445	31,707	912	12,102	15,014		177,185
^A Individuals in this benefit type or category may be included in another assistance type.							

The source for the data in Table 16 is the Cognos Data Warehouse, which is not part of New York State Medicaid Data Warehouse.

The “Total Financial Assistance” column counts individuals, who sometime during that calendar year, received some form of Financial Assistance. If a person was on Financial Assistance, then left, then returned that same year, that person is only counted once. Individuals qualify for, and then fail to qualify for, Financial Assistance. At any one instant there are about thirty-one thousand persons on Financial Assistance in Erie County.

Footnote ^A bears repeating: Some persons receive more than one form of Financial Assistance. Some persons can receive Financial Assistance and Non-Financial Assistance, such as Food Stamps (“SNAP”). SNAP is not cash assistance. SNAP can only be used to purchase qualifying

food products.

- Food Stamp clients are those individuals who can both get Food Stamps as part of their Financial Assistance or as Non-temporary assistance such as SNAP (“Supplemental Nutrition Assistance Program”).
- Temporary Assistance to Needy Families (“TANF”) is a category of Financial Assistance. Clients on TANF are adults with a minor, dependent child who have been on Financial Assistance for five years or less. Some clients can receive TANF despite being on Financial Assistance for more than five years, if they have a permanent work exemption. An example of permanent exemption is a person receiving or applying for Supplemental Security Income (“SSI”). In general, you must be sixty-five years of age or older, or blind, or disabled to qualify for SSI.
- Temporary Assistance to Needy Families with a Drug or Alcoholic Dependent Adult needing full time treatment represents clients who qualify for TANF but have an adult in the household who is in rehabilitation and is unable to work. This rehabilitation can be for alcohol or another drug. If the adult in rehabilitation is able to work, the client is not placed in this category.
- Safety Net Cash Assistance clients are individuals with no minor, dependent children who have been on assistance for less than twenty-four months. These clients include single individuals who are exempt from work requirements and families with minor, dependent children on assistance for more than five years and all the adults in the household have a temporary work exemption.
- Safety Net Non-Cash Assistance clients are individuals who are able to work and have been on Financial Assistance for more than five years. This category also includes clients who are single individuals able to work who have been on Financial Assistance for more than twenty-four months and single individuals on Financial Assistance for less than twenty-four months who are drug or alcohol dependent.

A popular myth is clients on Medicaid in Erie County also receive other forms of Financial Assistance. That is true, but only for a small minority of Medicaid clients. For example, in 2017, there were more than 286,000 persons on Medicaid in Erie County. Compare that to the slightly more than 49,000 persons on all forms of Financial Assistance during that same period. *Most Medicaid clients in Erie County are not on any other form of Financial Assistance.*

CONCLUSIONS

- ✓ As we predicted in last year's report, Erie County Medicaid's population appears to have stabilized between 282,000 and 287,000 clients.
- ✓ However, Medicaid costs have not stabilized. In 2017, Medicaid costs for Erie County Medicaid clients have climbed to over \$2 billion dollars. Much of that cost is paid by New York State and the Federal government.
- ✓ About 31% of Erie County residents' health insurance is now being provided by Medicaid. This is about the same percentage as last year.
- ✓ In 2017, there are more Whites on Medicaid in Erie County than Blacks/African-Americans, Hispanics/Latinos and Asians/Pacific Islanders combined.
- ✓ More than 37% of all the persons on Medicaid in 2017 in Erie County were children. (Persons under the age of 21).
- ✓ The vast majority of Emergency Department visits by Erie County Medicaid clients appear to be for legitimate emergency medical needs.
- ✓ The most common medical need for Medicaid prescriptions written in 2017 was for drugs that fight depression.
- ✓ Hydrocodone–Acetaminophen has fallen from the number one prescribed Medicaid medication in 2015 to number seven in 2017. This continues to be a positive sign in the fight against opioid abuse, but Hydrocodone–Acetaminophen still remains one of the most abused drugs in the United States.
- ✓ Gabapentin, also known as Neurontin, is a drug that is used to treat pain related to nerve damage. It is also a candidate for abuse by those who formerly abused opioids. Gabapentin usage is on the rise in Erie County.
- ✓ Most Medicaid clients in Erie County are not on any other form of Financial Assistance.

We gratefully acknowledge the cooperation and assistance of OMIG, the New York State Department of Health, the Erie County Department of Health, the Erie County Department of Social Services, the Erie County Department of Environment and Planning - Geographic

Information Systems Team and the Erie County Department of Management and Budget. We look forward to working on additional projects with all these groups.